



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

DEC 08 2016

Via Certified Mail No.: 7014 1820 0000 4722 5232
Return Receipt Requested

In Reply Refer to:
Shell Martinez Refinery
3485 Pacheco Blvd., Martinez, CA 94553

Tom Rizzo
General Manager
Shell Martinez Refinery
3485 Pacheco Blvd.
Martinez, CA 94553

RE: Notice of Inspection Findings and Request for Information Pursuant to Clean Air Act
Section 114

Dear Mr. Rizzo:

On November 17-20, 2014 representatives from the U.S. Environmental Protection Agency ("EPA") Region 9 conducted an inspection of the Shell Oil Products U.S. (the "Company") Martinez Refinery located at 3485 Pacheco Blvd. in Martinez, CA (the "Facility") to determine the Facility's compliance with requirements under Sections 304-312 of the Emergency Planning and Community Right-to-Know Act ("EPCRA"), Section 103 of the Comprehensive Environmental Response Compensation and Liability Act ("CERCLA"), and under Section 112(r)(7) of the Clean Air Act ("CAA") (Risk Management Program).

A summary of the inspection findings is provided herein for your information and response. These findings describe conditions observed at the Facility at the time of the investigation and identify potential areas of noncompliance with the Risk Management Program ("RMP") regulations as set out at 40 C.F.R. Part 68. Any omissions in these findings shall not be construed as a determination of compliance with those portions of Part 68 or any other applicable regulations.

Findings:

1. Potential Violation – CAA § 112(r)(7) & 40 C.F.R. § 68.25:

The Company failed to comply with 40 C.F.R. § 68.25 by failing to analyze and report in the RMP the worst-case release scenario ("WCS") that is estimated to create the greatest distance in any direction to an endpoint resulting from an accidental release of a regulated flammable substance. The Company did not evaluate and report a hypothetical release from the TK-1338

T. Rizzo, General Manager
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butane sphere as the flammable WCS. The Facility's WCS in its June 18, 2014 RMP submission was a potential release from the TK-13262 isopentane tank, which would result in a distance to endpoint of 0.5 miles. A release of butane from the TK-1338 butane sphere would result in a distance to endpoint of 1.1 miles.

2. **Potential Violation – CAA § 112(r)(7) & 40 C.F.R. § 68.65(d)(1)(ii):**

The Company failed to comply with 40 C.F.R. § 68.65(d)(1)(ii) by failing to update and ensure that process Piping and Instrumentation Diagrams ("P&IDs") accurately reflected the design of a covered process as installed in the field. The inspection team observed several discrepancies between instrumentation, piping, and valve configurations in the field that were not accurately identified on P&ID 584752, rev 41 (SOM-RMP_00014).

3. **Potential Violation – CERCLA § 103 & 40 C.F.R. § 302.6:**

The Company failed to comply with 40 C.F.R. § 302.6 by failing to immediately notify the National Response Center ("NRC") of a release of sulfuric acid above the applicable Reportable Quantity ("RQ") on December 14, 2013. A release of 4,605 lbs. of sulfuric acid (CAS No. 7664-93-9), the RQ for which is 1,000 lbs., occurred overnight the night of Dec. 13-14, 2013. Facility workers discovered the release at 7:30 am on Dec. 14, 2013 but the release was not reported to the NRC until 11:24 am that day.

4. **Potential Violation – EPCRA § 304 & 40 C.F.R. §§ 355.33 - 355.43:**

The Company failed to comply with 40 C.F.R. §§ 355.33 - 355.43 by failing to immediately notify the California Office of Emergency Services ("CalOES")¹ of a release of sulfuric acid above the applicable RQ on December 14, 2013. A release of 4,605 lbs. of sulfuric acid (CAS No. 7664-93-9), the RQ for which is 1,000 lbs., occurred overnight the night of Dec. 13-14, 2013. Facility workers discovered the release at 7:30 am on Dec. 14, 2013 but the release was not reported to CalOES until 11:21 am that day.

With this letter and its enclosure ("Information Request"), EPA seeks additional information and documents concerning the Company's compliance with Section 112(r)(7) of the CAA, 42 U.S.C. § 7412(r)(7). This Information Request is authorized pursuant to Section 114 of the CAA, 42 U.S.C. § 9614. Your responses to this letter must be made by a letter, signed by a person or persons duly authorized to represent the Company. Please provide the requested information so that it is *received* within thirty (30) days of receipt of this letter. Submittals should be made electronically to the extent feasible. The Company's response should be directed to:

Jeremy Johnstone (SFD-9-3)
Environmental Engineer
U.S. Environmental Protection Agency, Region 9
75 Hawthorne St.
San Francisco, CA 94105
johnstone.jeremy@epa.gov

¹ - CalOES is the designated point of contact on behalf of the California State Emergency Response Commission for release notifications made pursuant to EPA § 355 and under state law.

T. Rizzo, General Manager
Shell Martinez Refinery

Please note that, pursuant to regulations located at 40 C.F.R. Part 2, Subpart B, you are entitled to assert a business confidentiality claim covering any part of the submitted information as defined in 40 C.F.R. § 2.201(c). Asserting a business confidentiality claim does not relieve you from the obligation to fully respond to this letter. Failure to assert such a claim makes the submitted information subject to public disclosure upon request and without further notice to you, pursuant to the Freedom of Information Act, 5 U.S.C. § 552. Information subject to a business confidentiality claim may be available to the public only to the extent set forth in the above-cited regulation. EPA has the authority to use the information requested herein in an administrative, civil, or criminal action. In addition, EPA has not waived any rights to take enforcement action for past or future violations.

The Company's compliance with this Information Request is mandatory. Failure to respond fully and truthfully may result in an enforcement action being taken in accordance with Section 113 of the CAA, 42 U.S.C. § 7413. This may include penalties of up to \$93,750 per day of noncompliance. In addition, the submission of knowingly false or misleading statements may be punished by a fine pursuant to Title 18 of the U.S. Code, or by imprisonment for not more than two years, or both.

If you have any questions regarding the Information Request or this letter, please contact Jeremy Johnstone of my staff at (415) 972-3499 johnstone.jeremy@epa.gov, or have your counsel contact Rebekah Reynolds, Assistant Regional Counsel, at (415) 972-3916 or reynolds.rebekah@epa.gov. We thank you in advance for your cooperation.

Sincerely,



Enrique Manzanilla, Director
Superfund Division

Enclosure

cc (via email w/enclosure):

J. Johnstone, U.S. EPA Region IX
R. Reynolds, U.S. EPA Region IX
M. Nye, SMR
T. Lingo, SMR
R. Sawyer, CCCUPA
C. Trombettas, CalOSHA



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Enclosure

Information Request
Shell Martinez Refinery

Please provide the information requested in the Information Request section of this Enclosure such that it is *received* by no later than 30 days from receipt of this Information Request letter.

INSTRUCTIONS

1. Please provide a separate response to each request, and identify each response by the number of the request to which it corresponds. For each document produced, identify the request to which it is responsive.
2. Knowledge or information that has not been memorialized in any document, but is nonetheless responsive to a request, must be provided in a narrative form.
3. The scope of this Information Request includes all information and documents obtained or independently developed by the Company, its attorneys, consultants or any of their agents, consultants, or employees.
4. The Company may not withhold any information from EPA on the grounds that it is confidential business information. EPA has promulgated regulations, under 40 CFR Part 2, Subpart B, to protect confidential business information that it receives. The Company may assert a business confidentiality claim (in the manner specified in 40 CFR § 2.203(b)) for all or part of the information requested by EPA. However, business information is entitled to confidential treatment only if it satisfies the criteria set forth in 40 CFR § 2.208. EPA will disclose business information entitled to confidential treatment only as authorized by 40 CFR Part 2, Subpart B. If no claim of confidentiality accompanies the information at the time EPA receives it, EPA may make it available to the public without further notice.
5. Notice is hereby given, pursuant to 40 CFR § 2.301(h), that EPA may disclose confidential information provided by the Company to EPA's authorized representatives, including its contractors. Confidential information may be disclosed to EPA's authorized representatives for the following reasons: to assist with document handling, inventory and indexing; to assist with document review and analysis for verification of completeness; and to provide expert technical review of the contents of the response. Pursuant to 40 CFR § 2.301(h), the Company may submit, along with its response to this Information Request, any comments regarding EPA's disclosure of confidential information to its authorized representatives.
6. If information or documents not known or available to the Company at the time of its response to this Information Request later become known or available to it, it must supplement its response to EPA. Moreover, should the Company find at any time after the submission of its response that any

portion of the submitted information is false or misrepresents the truth, the Company must notify EPA as soon as possible and provide EPA with a corrected response.

7. If information responsive to a request is not in the Company's possession, custody, or control, identify the persons or entities from whom such information may be obtained. For each individual or entity that possesses responsive information, please provide the following: name, last known or current address, telephone number, and affiliation with the Company or the Facility.

8. If you believe there are grounds for withholding information or documents that are responsive to this request, e.g., attorney-client privilege, you must identify the information or documents and state the basis for withholding.

DEFINITIONS

The following definitions apply to the following terms (words or phrases) as they appear in this Information Request. Defined terms are enclosed in quotation marks:

1. "You" or the "Company" shall mean Shell Oil Products U.S., or its officers, managers, employees, contractors, trustees, partners, successors, assigns, and agents.

2. "Facility" means all buildings, equipment, structures, installations, pipes, or stationary items owned, leased, or operated by the Company, at the Shell Martinez Refinery located at: 3485 Pacheco Blvd., Martinez, CA 94553 or contiguous or adjacent to that address.

3. As used here, "document" and "documents" shall include writings of any kind, formal or informal, whether or not wholly or partially in handwriting (included by the way of illustration and not by way of limitation), any invoice, receipt, endorsement, check, bank draft, canceled check, deposit slip, withdrawal slip, order, correspondence, record book, minutes, memoranda of telephone and other conversations (including meetings, agreements and the like), diary, calendar, desk pad, scrap book, notebook, bulletin, circular, form, pamphlet, statement, journal, postcard, letter, telegram, telex, report, notice, message, analysis, comparison, graph, chart, interoffice or intra office communications, photo-stat or other copy of any documents, microfilm or other film record, any photograph, sound recording on any type of device, any disc or other type of memory generally associated with computers and data processing (together with the programming instructions and other written material necessary to use such disc other type of memory). The terms "document" and "documents" include (a) every copy of each document that is not an exact duplicate of a document which is produced, (b) every copy that has any writing, figure or notation, annotation or the like, (c) drafts, (d) attachments to or enclosures with any documents and (e) every document referred to in any other document.

4. All terms not defined herein shall have their ordinary meaning, unless such terms are defined in the Clean Air Act or its implementing regulations at 40 CFR Part 68, in which case the statutory or regulatory definitions shall apply.

INFORMATION REQUEST QUESTIONS

1. Provide a response to each Finding in the transmittal letter accompanying this Information Request, indicating if the Company accepts or disputes the Finding.
 - a. If the Company agrees with the factual basis for the Finding, indicate if the Company is presently in compliance with the cited requirement.
 - i. If the Company is presently in compliance with the cited requirement provide the following information:
 - A. The Company's first date of non-compliance;
 - B. A description of what activities the Company undertook to come into compliance; and
 - C. The date on which the Company came into compliance.
 - ii. If the Company is presently not in compliance with the cited requirement provide the following information:
 - A. The Company's first date of non-compliance;
 - B. A description of what actions the Company will undertake in order to come into compliance; and
 - C. The date by which compliance will be achieved.
 - b. If the Company disputes the factual basis for the Finding or any portion of the Finding, including the dates asserted for each potential violation, provide the basis and supporting documentation for each such assertion.
2. For each Finding provide cost information relating to work undertaken, planned, or considered to correct identified deficiencies. Cost information may be either actual or estimated and shall be disaggregated by: a) one-time costs (such as for engineering and permitting); b) capital costs (such as for equipment); and c) incremental annual operation and maintenance costs relative to the Company's level of effort as that existed in November 2014. For each cost item provided indicate if actual or estimated.
3. Provide a statement and supporting documentation indicating both the Company's present net worth and gross revenues for calendar and/or fiscal year 2016.

